

**CHATTANOOGA–HAMILTON COUNTY BICENTENNIAL LIBRARY  
1001 BROAD STREET  
CHATTANOOGA, TENNESSEE**

**MINUTES**

**BOARD MEETING – JUNE 15, 2010**

**4:30 P.M.**

The Board of Directors of the Chattanooga–Hamilton County Bicentennial Library met on June 15, 2010, at 4:30 p.m., in the Board Room with Mr. David Turner presiding.

The following members were present: Herb Cohn  
Tom Griscom  
Pat Kelley  
Doris Kelly  
Chrystal Partridge  
Rickie Pierce  
David Turner  
Barbara Wofford

Also present were, Kim Fahs, Friends' Executive Council; Sharon Key-Ertsgaard, Friends' web page designer; David Clapp, director; Eva Johnston, assistant director; and May Langmann, administrative assistant.

**APPROVAL OF THE MINUTES OF THE MAY 20, 2010, BOARD MEETING:**

*Mr. Herb Cohn moved that the minutes of the May 20, 2010, meeting be approved. Mrs. Rickie Pierce seconded the motion.*

Before the board could approve the motion, Mrs. Kim Fahs said she had a correction to make. She pointed to page 3 under Other Matters. She pointed out that the Friends did not revise their charter. She said the sentence should read: "Instead, they looked at their fiduciary responsibility for managing these funds." A short discussion followed.

*Dr. Barbara Wofford moved that the minutes be corrected to reflect this change. Dr. Chrystal Partridge seconded the motion and it was unanimously approved and carried.*

**RATIFICATION OF THE APPROVAL OF THE MINUTES OF THE MARCH 16 AND APRIL 20, 2010 BOARD MEETINGS:**

*Dr. Barbara Wofford moved that the approval of the minutes of the March 16 and April 20, 2010, board meetings be ratified. Mrs. Doris Kelly seconded and it was unanimously approved and carried.*

**TREASURER'S REPORT:**

Ms. Mary Lou Drazich was absent. Mr. David Clapp reviewed the May financial statement.

Income:

Mr. Clapp said our receipts are up to almost where we had hoped they would be. We should be at 92% of expected annual income and we are now up to 91%. This is partly because passports are making up for lower receipts elsewhere.

Expenses:

Rent charges this month are high because it includes our portion of the taxes and utilities for Eastgate. We also had a higher than normal insurance payment. Part of that is the Director's and Officers' insurance renewal and another is \$12,000 for retirees' health care (these are existing retirees, not prospective retirees). For the year we should come in well below what we have in the way of income. We will not have to go into reserve funds.

On-Demand:

We had receipts of \$3,098.00 and expenditures of \$3,231.49. We have used our profits from DVDs and books to purchase downloadables from Overdrive. We are actually doing better than we did last year. Books are paying for themselves without any additional money from DVDs and DVDs continue to earn a profit. This year we used a new system focusing on a core group of authors. We are ordering fewer titles, but more copies of these popular items. This small change has enabled the rental books to pay for themselves and turn a small profit.

The biggest effect of the recession on us is that people just are not checking out as many DVDs as they once did, so profits are slightly lower. People are just waiting for free copies rather than checking out as many as they once had. Mr. Cohn commented that our DVD on-demand rental is \$2; Blockbuster is now \$5 so that is a very substantial difference.

For the year, we end up with \$82.55. This is because we are paying off these downloadables instead of just accruing money for some special purchase at the end of the year.

Mr. David Turner stated that one thing we all need to be aware of is our country's demographics. We are aging and there are more people retiring and fewer young people coming into the workforce so part of what we are going to face moving forward is retirement costs. The City and County have already told us this. Mr. Clapp said the other aspect for libraries specifically, is that a lot fewer library schools are out there now and fewer people staying in library work. Lots of experienced directors are retiring and there are not enough talented people to replace them. It will be a seller's market for director jobs for the foreseeable future. ALA is spending a lot of time and money trying to figure out how they can train people to run into these positions which is why we have been emphasizing training lately. We need a group of young experienced managers who can take over when we retire.

Mr. Turner added there are fewer young people to pay for those entering retirement age. It is a challenge.

**ENDOWMENT COMMITTEE REPORT:**

Mr. Turner said that year-to-date the performance for First Tennessee is +3.23%, Globalt is +3.83% and SunTrust (Stong Trust) is +3.58%.

Mr. Clapp informed the Board that the Finance Committee is reviewing different options for foundations, looking for foundation charters from different library systems, and compiling whatever information we can on different groups that might help us. We also spent time looking at what the endowment itself could do for us in terms of, say, saving money that is going to last more than a year; at what our endowment fund with the Community Foundation could do, and what the Friends can do. Mr. Turner said it is safe to say that we will create a foundation let's

say, specifically for *ClubLib* funds for which we will be responsible. We will create a foundation to spend those funds. Mr. Clapp said this has been highlighted as a priority for libraries for about 20 years and many of the metro libraries have had foundations for 10 to 12 years already so it is just a question of what instrument we need to have here since we have different groups like the Community Foundation. Mr. Turner said we are behind the curve compared to other libraries in our area in creating a foundation for private money as opposed to government money. Mr. Cohn reminded the Board that we have a Friends' endowment which is stagnant; we just did not promote it. This is one instrument we have that would benefit the library and it is not being utilized. That fund is set up for the benefit of the library so any donations made to it, the idea is, each year when it is built up, let's say, 4% of the funds could be used for whatever the Friends and Library Board decide is needed.

#### **FRIENDS' REPORT:**

Mrs. Kim Fahs reported that the Friends have a location for the book sale. It will be on August 7–14 at Eastgate Towne Center.

She also said that the Friends are 98% sure they will bring Rebecca Skloot to Chattanooga, partnering with the Bessie Smith Hall, on August 4, for an author reading for the community.

Mrs. Fahs introduced Mrs. Sharon Key–Ertsgaard, the Friends' web page designer. She set up their webpage and Facebook page and proceeded to show this on screen with the help of Mrs. Eva Johnston. Mrs. Ertsgaard said the website has been up and running for about two months. It is very simple and easy to navigate. She described the information that can be accessed on the Friends' website. Mr. Turner complimented her on doing a very good job.

Mr. Cohn told the board members that when the Friends do their book sales, they really need a lot of volunteers and he asked everyone to volunteer at least one shift during the week of the book sale. That shows the Board's support of the Friends.

Mr. Clapp asked the Board's approval for staff in–service day on Friday, August 6.

*Mr. Tom Griscom moved that the Board approve staff in–service day on Friday, August 6. Mrs. Rickie Pierce seconded the motion and it was unanimously approved and carried.*

Mr. Clapp asked the Board's approval for closing Sundays as of July 1. This is a money–saving gesture and wise at this stage. Mr. Griscom said Mr. Clapp needs to call the County mayor because he was the one who wanted the library open on Sundays. This is just being courteous and Mr. Clapp said he will gladly do that. Mrs. Pierce and Mr. Turner both asked if Mr. Clapp found that attendance is so much lower in the summer Sundays and Mr. Turner asked if we could reopen after Labor Day. Mr. Clapp replied that ideally, if we get our budget request approved, then we would return immediately to Sunday service but he does not think the County will vote on our budget until after the elections and there could be other changes so we won't know until September and we might have spent the quarter going beyond what we would want to be spending. Mr. Clapp said that in their earlier meeting, he did tell the mayors that when we are renovating, we might have to close certain hours anyway and our reorganization is going to go on for the next 5 or 6 months so we could just put it in that light. It is one of the reasons we are doing this because it is costing us more to provide additional staff in the departments that are now isolated on these floors.

Mr. Turner said the first Sunday after Labor Day we might want to consider reopening. Mr. Clapp said that is an option and we will look at it then. Dr. Chrystal Partridge asked what the financial impact would be if the Board votes to renew Sunday service after Labor Day. Mr. Clapp said that we would spend about \$30,000 more over a full year so it would only be about \$8,000 over one

quarter. We will be spending about \$85,000 more for pension and health benefits in the new year and if we add \$8,000 to it and try to make adjustments in the last 3 quarters of the year, we could be forced into rather drastic changes. He said his goal is to make sure we are prepared for whatever may happen. He is more than happy to go back to the hours if we receive the funding we requested. Rather than having to fire recently hired personnel, he has instituted a hiring freeze until we know the budget.

Mr. Cohn said he would hate for it to happen that we get serious objections from the County mayor because he considers this his branch. Dr. Partridge said that since the numbers we had been getting on Sundays were not what we expected, what numbers are we talking about? Mr. Clapp replied that his hope was that we would reverse the trend downtown; we were losing 1,000 people a month coming into this building from 2008 to 2009. In 2010, even with Sundays open, we are still losing 1,000 a month from what we had in 2009 so we are continuing to lose attendance in this building. He believes that false perceptions of crime are affecting use downtown and we may see an end to this problem with an effective marketing campaign.

Mr. Turner said this issue is a real challenge. Mrs. Pierce said we could go along with what Mr. Clapp said and say "to be re-examined as Labor Day approaches" and that gives Mr. Clapp the financial ideas he could consider as well as looking at the library's clientele. Mr. Griscom reiterated that Mr. Clapp should ask the County mayor because this was his issue. Mrs. Pat Kelley said the numbers just don't support the continuation of the service and Mr. Clapp does have solid grounds to cut back on costs.

Mr. Griscom said what Mr. Clapp ought to do is say, "We've got renovations going on, we've been tracking our numbers and the numbers continue going down so, for the foreseeable future we would like to test closing again on Sunday. We will monitor it, we will get back to you knowing that you had this concern. By the end of the year we would like to share with you what our data shows us if there is a reason that we ought to continue Sunday service." That way, you've done it because it is the right thing to do.

*Mr. Tom Griscom moved that the library close Sunday service as of July 1, 2010, with the intention of re-examining this issue again as Labor Day approaches. Dr. Barbara Wofford seconded and it was unanimously approved and carried.*

#### TEEN VIDEO:

Mr. Clapp invited anyone who can stay to view the video that the teens produced. He said teens developed this video project. It was a grant that the Friends assisted with. The teens did all the work on it and they built this video from their own script. The teens' parents and families were here for the premier showing, Mr. Cohn said, and they were very proud of their accomplishment. Mrs. Eva Johnston played the video but there was an audio delay and she and Mr. Clapp decided to stop to showing.

There were no other comments or discussions. Mr. Turner adjourned the meeting at approximately 5:20.m.

Pat Kelley  
Secretary